1	SCOPING MEETING - DECEMBER 18, 2013 - 6:30 - 13-805			
2	BEFORE THE MINNESOTA DEPARTMENT OF COMMERCE			
3	FOR THE PUBLIC UTILITIES COMMISSION			
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6	In the Matter of the Intent to File Route Permit Application Under the Alternative Permitting Process for			
7	the Proposed Minnesota Power Canisteo Project - Itasca County, Minnesota			
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9	PUC Docket Number: E-015/TL-13-805			
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MS. TRACY SMETANA: Well, good evening, everyone, and thanks for coming. My name is Tracy Smetana. I am with the Public Utilities

Commission. I am going to kick things off here.

Quite often when we do these we have a projector and a screen up here, but we don't have that today so I have the presentation printed out and you can follow along. So this is the public information and scoping meeting for Minnesota Power's proposed Canisteo transmission line project. Kind of a mouthful.

So we are going to start off just with some introductions and talk a little bit about the roles and the process for the route permit. We'll ask Minnesota Power to provide a project summary, and you see they have some maps and pictures up here as well.

Mr. Storm, from the Department of Commerce, will talk about the environmental review process, and then we'll get to the main event, which is opening it up for your comments and questions.

So as I said, I am with the Public
Utilities Commission. And we regulate permitting
for power plants, pipelines, transmission lines,
local and in-state long distance phone companies,

investor-owned electric and natural gas utilities. We have five Commissioners appointed by the governor, and we have about 50 staff that assist with that process.

I always like to give a little introduction about the Public Utilities Commission because I am guessing a lot of folks haven't heard about it before. I know I hadn't until I applied for a job there so it's always good to get a little information about who we are.

Some other folks that you might run into as we work through this process, the applicant, that's the company asking for the transmission line route permit, in this case Minnesota Power.

We also have the Department of Commerce, Energy Environmental Review and Analysis, sometimes abbreviated EERA. And you met Mr. Storm, he's the person in charge of that process.

There's also another arm of the

Department of Commerce, the Energy Regulation and

Planning area, and they represent the public

interest when utilities ask to change rates,

services, facilities, and so on.

Later on in the process we'll hear from the Office of Administrative Hearings. You might

see that abbreviated as OAH. They're a state agency, and an administrative law judge will come back out and hold hearings, summarize the facts and the record, and make recommendations to the Commission.

And then if you flip over, continuing on the who's is who at the Public Utilities Commission, there's a public advisor. That's me. My job is to work with folks to help you understand the process, where you fit in, when you can submit comments, that type of thing. We also have a staff analyst who assists in building the record, informs

Commissioners on the impacts of different decisions. And neither one of us is an advocate for any particular position in the case. Our role is to be neutral, and we also cannot offer legal advice.

So why do we care about this project?

Well, the rules define it as a high voltage transmission line because it will operate at 100 kilovolts -- sometimes abbreviated kV, you might see that -- or more, and it's greater than 1,500 feet in length. If that's true then the law says it requires a route permit from the Public Utilities Commission.

So some other terms that you might see in

the context of the route permit, the permitted route, that's just the location of the line between two endpoints, and route width can vary quite a bit, up to 1.25 miles. Smaller within that permitted route is the right-of-way, and that's a term you might have heard before, it's the land required within that route for construction, maintenance, and operation of the line. And then smaller yet is what we call the anticipated alignment, where we think the lines and poles will actually be placed.

So some of the things that the Public
Utilities Commission considers when it makes a
decision on the route, where it should go, things
like human settlement: Where are people, where are
there buildings, those types of things. Public
health and safety. The economy including
agriculture, tourism, mining. Archeological and
historic resources, the natural environment, and
Mr. Storm is going to talk about that a little bit
further.

Continued on the next page, some other factors. Maximize efficiency, allow for future expansion. If there are existing rights-of-way, we definitely like the company to look at those factors. If there are natural boundaries that make

sense. Of course we're concerned with reliability of the electrical system, and also the cost. That's one of the factors that we consider as well.

Next there's a chart that gives you kind of an idea of how the process works. So where we're at right now is you see application accepted. The Commission has said, yeah, the application meets the requirements to be an application. We can move forward with reviewing this project. And then the next box underneath that project is public information and scoping meeting, and that's where are today.

So you can see we're very early on in the process, and there's a lot of things that are going to happen between now and the end of the line where the Commission makes a final decision on this permit application.

On the next page there's a timeline, and I have to apologize. There's an error in the printout here. It shows the public information and scoping meetings as December 5th. Clearly today is not December 5th, today is December 18th. And then the comment period as well would be extended as noted on the comment form from Mr. Storm.

So this just gives you a rough idea of

when things will happen next. This is all an estimate at this point and so as things change throughout the process folks will be notified and the dates will be firmed up a little bit.

Now, how do you get more information?

Because people are interested in knowing what's happening with the project and how to learn more about it. The Department of Commerce has a project website and the address is listed here on that page. It has a lot of information about the timeline, kind of where things are at. It has a nice little timeline feature at the top that kind of tracks the steps along the way.

Also, all of the documents that are submitted in this project are included in what we call our eDocket system. And those are available to the public and the instructions for how to access those and how to read them are listed on this slide.

If you want to receive notice when something new happens in the case, we have an e-mail subscription service, and the instructions are listed there on how to subscribe to that. It's right from our website. And what would happen is when something new comes in in the case you would receive an e-mail saying, hey, something new

happened here, and then there's a link where you can click on it to open up that document and then you would be able to read it right from there.

We also have a project mailing list for folks who aren't interested in e-mail or maybe don't want to receive a notice about everything, you just want to know about when there are meetings or when there are opportunities to submit comments. And so you can let me know by filling out one of these orange cards that you would like to be added to that list, and if you think about it later my contact information is listed on there as well if you don't take a card tonight.

The next slide just has some additional resources. The Department of Commerce -- if you're looking for some really nice bedtime reading, the Minnesota statutes and rules are also available online. The Public Utilities Commission, our website would include a calendar that has information about meetings that are coming up. You can also access that subscription service or that eDocket system from our website as well.

And as I mentioned earlier, there are two folks at the Public Utilities Commission that you may interact with as a part of the process. The

first is the public advisor, that's me, and the other is our staff analyst, Mike Kaluzniak, he is here as well. You can say hello to Mike.

And with that I am going to turn it over to Minnesota Power.

MR. DAN McCOURTNEY: Thanks, everyone, for coming here tonight. My name is Dan McCourtney, and I am with Minnesota Power. I think as most people in this room are aware, there's been a strong demand for taconite in Northeastern Minnesota. And as a result, Magnetation is looking to build a facility on the north side of the Canisteo pitch, just on the north side of town here.

I don't know if everyone knows this or not, but mining facilities take a significant amount of electrical power in order for them to operate. So to accommodate that, what Minnesota Power is proposing is to build two parallel 115 kilovolt transmission lines and an electrical substation. As Tracy said, this permit requires a route permit from the Public Utilities Commission, and it's really the reason why we're here tonight.

I'll just give you a general idea of what the lines will look like. They're going to be built out of wooden H-frame structures, which is what you

see here. Both lines would be on a single 160 foot right-of-way. And then the substation, this is generally what it would look like here.

Now there has been one change since we originally submitted the application to the state. Magnetation has finalized their facility site, and it has kind of shifted everything on our project to the east a little bit. It's moved with the original location of the substation. From the original application it was over here on the west side. Since then it's shifted over about a half mile to the east.

You can't see it very well here, but I do have fact sheets in the back. I'd encourage everyone to pick one up and take a look at it and it shows the changes in locations there.

Minnesota Power will be submitting a notice for an alternate location to be evaluated to both the Public Utilities Commission, as well as the Department of Commerce, to be evaluated in the environmental assessment.

That really summarizes the project and why we're here tonight. As we move forward, if anybody has any questions or comments please feel free to ask them and I'll be happy to answer them.

Thank you.

MS. TRACY SMETANA: All right. Next we'll turn it over to Bill Storm with the Department of Commerce.

MR. BILL STORM: Good evening. Thanks for coming. As Tracy said, my name is Bill Storm.

I work for the Department of Commerce, Energy Environmental Review and Analysis Unit. Our unit is responsible for doing the environmental review on energy projects, transmission lines, as this one is.

And as part of that responsibility we come out to the public and we solicit from the public their concerns, their issues, any alternatives they may want me to study as I do my environmental review.

Since we have a small group here tonight and we don't have the slides up, you're going to have to page through with me. The second slide from my presentation is just a graphic of the whole process. As you can see, this diagram is sort of just my variation of the one Tracy showed you, and there are areas where the public can participate.

Where we are at now is where it says you are here, it's that shaded block. And this is the environmental review portion, and we are at the

public meeting. And part of the public meeting is to solicit input to the environmental review and explain the environmental review.

So the first part is I am just going to run through how I do the environmental review and what the environmental review is all about. And then a little bit about how you can have some input in that, and then we'll let you go for the evening.

This permit has been applied for under what's called the alternative process. It's a process that's designed for less significant projects, smaller projects, in which it's anticipated that the impacts to the environment and the people will be less. So it's a more streamlined process.

The process does include a public meeting, scoping, and comment period, a scoping decision, and the preparation of an environmental review document. And in this case the environmental review document is termed environmental assessment.

Next slide, the purpose of the scoping meeting is, one, provide the public with an opportunity to participate in the development of the scoping decision. The scoping decision is basically a table of contents to the environmental document.

It lists what areas, what issues that I'll cover, that I'll study when I prepare my environmental document.

By rule the scoping decision which comes out from the Department of Commerce, it's our commissioner, the commissioner of the Department of Commerce, who issues the scoping decision based on the record from this meeting and the comment period following this meeting.

The rules say a scoping decision must include alternative routes if any were brought up. It must talk about specific potential impacts to be addressed. The table of contents, basically here are the things I am going to address. The schedule for completion of the EA and any other matters deemed appropriate to be an EA.

Again, the next slide, the environmental assessment. The environmental assessment is basically the written document that describes the human and environmental impact that a project -- and the alternatives proposed for the project -- will have. Basically what the rules state that the environmental assessment must have is it needs to have a general description, it needs to have an alternate route, if any were identified, it needs to

describe the potential impacts of this project and its alternatives.

It needs to discuss how can the impacts be mitigated for a project. It needs to discuss the feasibility of the alternatives and the mitigation. It also has to give you a list of permits so you can anticipate what downstream agencies, the Army Corps of Engineers, the DNR, the PCA. There are downstream permits that will have to be obtained after the applicant gets the approval from the PUC to construct the project, and the rules basically spell out the things that need to be in an environmental document.

If you notice when you came in on the table there was a guide sheet that I put together. I term this a draft scoping document. And what it is, you can look at it as a draft scoping decision. It lays out what the environmental review is all about and why we do it, but more importantly if you open it up and go to section five it shows you the table of contents of what I think should be in an EA, and these are the issues that I think should be covered in an environmental review document for a project this size.

One of the reasons I am here tonight is

to ask the public to help me fill in the details of this table of contents. I am trying to get at the local concerns and local knowledge that you may have that I don't have that will fill in the detail into these categories.

So if we go to the next slide you can see this first slide is a draft scoping document. It's hard for me to read it this size. I am getting old. It's hard for me to see it not up on the screen so if you don't mind I am going to switch to one that my old eyes can see.

Okay. Draft scoping document, when you looked at that table of contents there are the very issues that I was going to cover. One of the categories is natural environment, subcategories being flora, vegetation.

Through this process it may come up that somebody, either a local unit government official, a county official, a citizen, may say, you know, Bill, there's a rare buttercup along this route somewhere and I want you to be aware of it. And that's what I mean when I say I want you to help me fill in the detail into this table of contents that's in the draft scoping document.

The next slide takes basically the same

concept. There's a draft environmental scoping document, and one of the categories is alternative routes or route segments. And what I am soliciting from the public is just, like, are you concerned about something or do you have an issue that you want to make sure that I cover.

This is also your opportunity to say, Bill, you know, their route's okay but I have an alternative route that I would like you to study. I don't like this route for whatever reason and I want you to look at this route alternative that I developed and I want you to study that in your environmental document. Okay. And that's how you can see how it went from a draft scoping document with the general categories to we end up with the John Doe alternative route segment.

And the second slide, which is probably going to be hard for you to see in paper form. I am sorry about this. I am used to a slide projector. You can see the slide following the next slide is somebody submitted a route alternative. And the example is, you can see on the purple on this sheet is a route that the applicant proposed at one time in the past, and the public person came up who had a specific concern. They were concerned about a

historical building being impacted by this line and this route, and they drew out an alternative.

Okay. After considering what their issue was, that alternative was carried forth in the scoping decision, and when I produce the environmental document for this project I evaluated the feasibility and the impacts associated with that alternative route segment.

Now in saying that, I'd like to take you back one slide. If a person wants me to look at an alternative route or alternative route segment, the rules say you need to submit that in writing during the comment period and you need to explain why you want the alternative to be considered. And you can state whatever reason you want to state, but if your reason is I don't want to look at it, that's the impact, that's the total impact you feel. I don't want to look at it, that doesn't carry a lot of weight. And if that's your sole reason you're going to have -- it's probably not going to make it into the scope at the end so therefore it wouldn't be evaluated.

Now if your reason is, Bill, I want you to use a different route because there's a deer wintering stand here or there's a bobcat's nesting

area or whatever it may be, that's a significant issue for me to evaluate. And that kind of alternative route or alternative route segment would probably make it through a scope.

So if you do want me to consider an alternative route or even an alternative route segment, you know, just a deviation from this a little bit to avoid a natural feature that you're concerned about, to avoid a historical feature that you're concerned about, this is your opportunity to let me know that. And you'll have ten days from the close of tonight's meeting to submit your comment to me. You can e-mail your comment, you can handwrite your comment and snail mail it to me, or you can fax it to me. I do have comment sheets in the back for your convenience.

But that's the two main things I am looking to get out of tonight and out of the comment period for tonight is: Are there issues and concerns you want to make sure that I cover in the environmental review document that are more specific than the table of contents laid out here.

Like I said, I am going to look at the impact of the project to flora, but if you know there's a specific buttercup or a moon wart or

there's a specific plant that you're concerned about or mature trees, this is what I am asking you to do. Give me that and then when the scoping decision comes out it will have this plus the detail that you've added that made it to the decision.

Okay. The next slide, environmental review and permitting agencies. As I development my environmental review document I don't do it in isolation. I work with agencies, the DNR, the Department of Transportation, the PCA, agencies that will have downstream permitting rights. The DNR, it will have public land crossing rights, licenses to issue. The DNR will have mineral concerns or water crossing rights. The Pollution Control Agency may have some permits or policies around erosion control and disturbing of land.

So I want to ensure you that I don't write the document in isolation. I get input from the public, I get input from the downstream state agencies. The next slide just shows that as a graphic. Basically I do the environmental review for the PUC, but I am surrounded by the other agencies that give me input and comment through the process.

And tagging onto that, the next slide is

a slide of potential downstream permits that this project may need. An example, like I said, would be a license to cross public lands or water from the DNR, an erosion control plan from the PCA, a highway crossing or sharing of right-of-way with MnDOT. So there are downstream permits that may be necessary, and this is just a general list of them.

If you want to follow the project closely, as Tracy said, there are two ways to follow it. I'll put a plug in for our website, which is the Department of Commerce's website. I will upload public comments as I get them, I will upload comments from the agencies as I get them, and also show you some tracking information so you can track the project. So if you want to just keep an eye on the project, where it's going, that's a good website to do it at.

Now as I said, I am looking for input from the public and from local units of government into issues that you're concerned with for this project, concerns that you may have, the impacts that you may want me to study. And if you do want to propose an alternative route or alternative route segment, this is your opportunity to give it to me. And following tonight's meeting there is a ten-day

comment period, so January 3rd is the end of the comment period for that. Okay. My information is again here. My information is also on the comment sheets that are on the desk.

And we do have a court reporter here.

Any comments you make on the record here tonight will be part of the record, will be part of the consideration of what I use to build the environmental recommendation for the scoping decision to my commissioner.

So with that I am going to ask if anybody wants to speak, and the gentleman from Magnetation had filled out a card. We're a small group so the cards are sort of -- usually on a controversial project I have 300 people so the cards sort of help me keep order, but I am at that point now so if you would like to speak please stand up, state and spell your name for the court reporter, and then ask your question or give your statement.

MR. MICHAEL TWITE: Thank you, Mr. Storm.

Good evening, everyone. My name is
Michael Twite. I am the environmental manager for
Magnetation. I'll get you a business card here.
And Magnetation is obviously going to be the end
client for this project for the construction of what

we are referring to as plant four. I'll keep my comments to the topic at hand. Specifically with respect to the question of what human and environmental impacts of the proposed transmission line should be studied in the EA process.

And I'll offer two thoughts for the record. Number one, we talk about the human impacts on this project. The construction of this plant, plant four, is actually about \$120 million direct construction cost, but the real benefit is the 160 direct jobs that it creates. Those jobs have an annualized wage and benefit package of about \$75,000 per position. So that's another \$12 million in the local economy just in wages and benefits, not in the project.

Another economic impact of this project, there's approximately 1,200 acres of tax forfeited land that's come back onto the tax roll as a result of lands that Magnetation is leasing from the DNR or from Itasca County. That directly benefits the county, that directly -- just the tax benefit of that comes back to the county, it comes back to the legal municipalities, it comes back to the local school districts. Not to mention just the direct carrying costs of those leases that go back to

either the state or the county. So there's a large environmental impact, a positive environmental impact from the plant being built. The plant doesn't get built without adequate electrical power.

The second point I'd like to offer up for your consideration, we talked about the environmental impacts. As the environmental manager for Magnetation, along with Mr. Vidmar, we live in this world. The environmental impacts of flora, fauna, wetlands. How do you choose your routes, how do you work through your permits, how do you do things in a responsible manner?

The route that's been chosen on here really was focused on what was the shortest route to come down from the existing power line to get down to the Canisteo mine pit and get onto those heavily disturbed historical mining lands. So it was chosen for -- one of the facets was how do we minimize the amount of ground that's covered that's not historical mining property? So it's coming in from the northeast, so that was one aspect.

That line where the line parallels the north side of the Canisteo mine pit was laid out largely so it's laying right on the northern edge of the Biwabik iron formation, which is considered the

northern boundary of mineable area. So it's as close as reasonable to that line, yet far enough back where it doesn't impede future mining development.

Okay. This route also supports

Magnetation's long term mining plans. We had looked at some other possibilities and also talked with the Department of Land and Minerals at DNR about the other possibilities, but this alignment fits best with our long term plans for this area and eventual mining back within the -- in the buckeye end of the Canisteo mine pit.

The other thing that this route and this project I want to make mention of is that all of the Magnetation controlled land in Coleraine, in the municipality of Coleraine, whether they are Magnetation owned or Magnetation leased have now all been rezoned back to industrial. So that was a recent zoning change that happened in support of the overall project.

So thank you for your time.

MR. BILL STORM: Thank you. Anyone else want to take the opportunity to speak?

Okay. Please remember you have until January 3rd if you think of something, a concern

that you want to put forth for my consideration for my recommendation as to what should be in the scoping decision and therefor in the environmental document.

Okay. If there are no more comments for

Okay. If there are no more comments for me, I'll turn it back to Tracy.

And Tracy is saying, okay, just thank you for coming.

I want to thank you all for coming. One of my colleagues always said that the world is ruled by those who show up. So I am glad that we had some people show up tonight. If you have any questions about the process or where we're at or what I am thinking, my information is on the slide, the copy slide. Give me a call any time at my office, and I can help you work out whatever it is that you're having trouble understanding or what you want more information on. And remember, for the scope of the environmental document the comment period closes on January 3rd.

Thank you. Have a safe drive home, folks.

(Public comment concluded.)